

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF)	
)	
JERRY'S OF THE CARIBBEAN, LLC)	ADMINISTRATIVE ORDER
ADAM SCHWARTZ)	NO. CD-2001-0011
JOHN J SMITH, JR.)	
DAVID TERZIAN)	
ROBERT BEGELMAN)	
)	
<u> RESPONDENT </u>)	

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the power to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act, upon due consideration of the subject matter hereof, has determined as follows:

RESPONDENTS

1. JERRY'S OF THE CARIBBEAN, LLC, ("RESPONDENT") is represented to be a Maryland limited liability company with a business address of 15942 Shady Grove Road, Gaithersburg, Maryland 20877.
2. ADAM SCHWARTZ ("RESPONDENT SCHWARTZ") is represented to be a promoter, beneficial owner and executive officer of RESPONDENT with a business address of 15942 Shady Grove Road, Gaithersburg, Maryland 20877.
3. JOHN J SMITH, JR. ("RESPONDENT SMITH") is represented to be a promoter, beneficial owner and executive officer of RESPONDENT with a business address of 15942 Shady Grove Road, Gaithersburg, Maryland 20877.

4. DAVID TERZIAN ("RESPONDENT TERZIAN") is represented to be a promoter, beneficial owner and executive officer of RESPONDENT with a business address of 15942 Shady Grove Road, Gaithersburg, Maryland 20877.

5. ROBERT BEGELMAN ("RESPONDENT BEGELMAN") is represented to be a promoter, beneficial owner and executive officer of RESPONDENT with a business address of 15942 Shady Grove Road, Gaithersburg, Maryland 20877.

STATEMENT OF FACTS

6. On July 17, 2000, RESPONDENT'S counsel Stephen W. McVearry with Mintz Levin Cohn Ferris Glovsky and Popeo, PC, submitted a filing for exemption from registration of securities pursuant to Federal Rule 505 of Regulation D and Commission Rule 830-X-6-.11 of the Alabama Securities Act on behalf of RESPONDENT. The submitted Appendix of Form D, reflected that one sale had been made to an Alabama non-accredited investor for \$20,000.

7. On July 19, 2000, a deficiency letter was issued to RESPONDENT'S counsel via facsimile and regular mail advising that the filing was deficient due to the following:

(a) Please identify the selling agent for sales made to Alabama investors and whether any commissions or remuneration has or will be afforded;

(b) There is an indication in the filing that offers and sales may have been made prior to obtaining an exemption from registration with this office. Please provide an undertaking by the Issuer regarding the number of offers or sales that have occurred in, or that have been made to a resident of, the state of Alabama. If any such offers or sales have occurred, please provide a complete description of the facts, circumstances and parties involved; and

(c) Our Rule 830-X-6-.11(1)(a)3(i) requires that each filing include two (2) copies of all information to be furnished by the issuer to the offerees. None were received with your application.

8. On, August 21, 2000, RESPONDENT'S counsel submitted an amended filing, notifying the Commission staff that RESPONDENT was relying on Rule 506 of Regulation D.

9. On August 25, September 5, and September 18, 2000, the Commission staff verified with the U. S. Securities and Exchange Commission Public Reference Division via telephone that RESPONDENT submitted a filing on the federal level pursuant to Rule 505 of Regulation D.

10. On December 15, 2000 and January 16, 2001, the Commission staff received copies of RESPONDENT'S federal filing from the U.S. Securities and Exchange Commission. Form D reflects that RESPONDENT filed federally pursuant to Rule 505 of Regulation D.

CONCLUSIONS OF LAW

11. The sale of unregistered, non-exempt securities in the state of Alabama is a violation of Section 8-6-4, Code of Alabama 1975.

12. Pursuant to Commission Rule 830-X-6-.11(1)(a)3(i), the Issuer shall file with the Securities Commission an application for exemption no later than five business days prior to the commencement of the offering in this state. Form D reflects that the issuer effected a sale to an Alabama investor prior to submitting a request for exemption with the Alabama Securities Commission.

13. The securities being offered and/or sold by RESPONDENT were not registered or exempt from registration in the state of Alabama at the time of the sale to an Alabama resident.

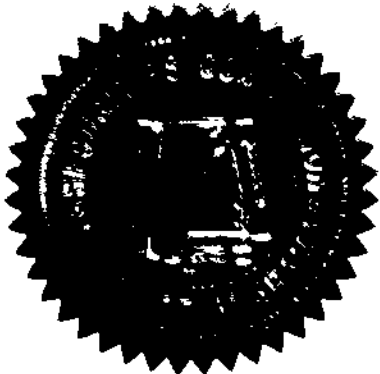
14. Pursuant to Code of Alabama 1975, Sections 8-6-16, whenever it appears to the Securities Commission that any person has engaged in or is about to engage in any act or practice constituting a violation of any provision of this article or any rule or order hereunder it may issue a cease and desist order, with or without a prior hearing, against the person or persons engaged in the prohibited activities, directing them to cease and desist from engaging in the act or practice.

15. This Order does not prevent the Alabama Securities Commission from seeking such other civil or criminal remedies that are available to it under the Alabama Securities Act.

16. This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Alabama Securities Act.

ACCORDINGLY, IT IS HEREBY ORDERED that RESPONDENTS JERRY'S OF THE CARIBBEAN, LLC, ADAM SCHWARTZ, JOHN J. SMITH, JR., DAVID TERZIAN, ROBERT BEGELMAN immediately CEASE AND DESIST from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, Alabama this 12 day of February, 2001.



ALABAMA SECURITIES COMMISSION
770 Washington Street, Suite 570
Montgomery, Alabama 36130-4700
(334) 242-2984
BY:

A large, stylized handwritten signature in black ink, which appears to read "Joseph P. Borg", is written over the printed name and title.

JOSEPH P. BORG
Director